

Power Cost Memorandum Fuel Cost Update

Date: **June 2, 2022**

| | | |
|---|---------------------------------------|------------------------------------|
| Utility Name (Cert. No.) Chignik Lagoon Power Utility (658) | Utility File No. PC92-0518L | Date Filed: May 24, 2022 |
|---|---------------------------------------|------------------------------------|

| PCE AMOUNT SUMMARY | Previously Approved PC92-0518K | Staff Recommended Amount(s) and Effective Date PC92-0518L |
|--|---|--|
| Class Rate | <u>Date Approved:</u> January 7, 2022 | June 3, 2022 |
| Residential | \$ 0.2664 | \$ 0.3747 |
| Community Facilities 0 to 500 kWh | \$ 0.2664 | \$ 0.3932 |
| Community Facilities 501 and above | \$ 0.2497 | \$ 0.2497 |
| <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim | | <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim |

| | |
|--|--|
| Prior Fuel Purchase Price: \$ 2.9973 | New Fuel Purchase Price: \$ 5.2987 |
| <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted | <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted |
| Delivery Charge: _____ | Surcharge Change: Previous <u>0</u> Updated <u>0</u> |

| Weighted Average Fuel Price/Gal. Calculation | | | | | |
|--|---------------|---|--------|---|-------------------------|
| | Gallons | | Price | | |
| On-hand before deliv. | 3,000 | X | 2.9973 | = | 8,991.79 |
| Delivered | 21,000 | X | 5.6275 | = | 118,177.50 |
| | <u>24,000</u> | | | | <u>\$ 127,169.29</u> |
| | | | | | Weighted Average |
| | | | | | \$ 5.2987 |

Signed: Brenda Cox
Brenda Cox Utility Financial Analyst

Commission decision regarding this recommendation :

| | Date (if different from 6/2/22) | I CONCUR | I DO NOT CONCUR | I WILL WRITE A DISSENTING STATEMENT * |
|----------|------------------------------------|-------------------|--------------------|---|
| Pickett | | <u>RMP</u> | | |
| Doyle | | | | |
| Kurber | | <u>KKL</u> | | |
| Sullivan | | <u>AL</u> DS | | |
| Wilson | | <u>JWW</u> JWW | | |

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CHIGNIK LAGOON POWER UTILITY

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING DECEMBER 31, 2017
Fuel Cost Update

| | PC92-0518K | PC92-0518L |
|--|---------------------------------|--|
| | Prior Commission Approval | Utility Request Staff Recommended |
| A. Total kWh Generated | 319,715 | 319,715 |
| B. Total kWh Sold (Appendix 2) | 479,514 | 479,514 |
| C. Total Non-Fuel Costs (Appendix 2) | 147,155 | 147,155 |
| D. Non-Fuel Cost/kWh (C/B) | \$0.3069 | \$0.3069 |
| E. Total Fuel Costs (Appendix 2) | 83,363 | 147,373 |
| F. Fuel Costs/kWh (E/B) | \$0.1738 | \$0.3073 |
| G. Eligible Costs/kWh (D+F) | \$0.4807 | \$0.6142 |
| H. Eligible Cost/kWh (G) Less 20.03 cents/kWh | \$0.2804 | \$0.4139 |
| I. Lesser of (H) or 79.97 cents/kWh | \$0.2804 | \$0.4139 |
| J. Average Class Rates (Appendix 3) | | |
| Residential | \$0.3747 | \$0.3747 |
| Small Community Facilities 0 to 500 kWh | \$0.4797 | \$0.4797 |
| Small Community Facilities 501 and above | \$0.2497 | \$0.2497 |
| K. Lesser of: (I) x 95% or (J) | | |
| Residential | \$0.2664 | \$0.3747 |
| Small Community Facilities 0 to 500 kWh | \$0.2664 | \$0.3932 |
| Small Community Facilities 501 and above | \$0.2497 | \$0.2497 |
| L. Funding Level in Effect | 100% | 100% |
| Residential | \$0.2664 | \$0.3747 |
| Small Community Facilities 0 to 500 kWh | \$0.2664 | \$0.3932 |
| Small Community Facilities 501 and above | \$0.2497 | \$0.2497 |

PC92-0518L
Appendix 1

CHIGNIK LAGOON POWER UTILITY

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING DECEMBER 31, 2017

Fuel Cost Update

| | PC92-0518K | PC92-0518L |
|---|---------------------------------|--|
| | Prior Commission Approval | Per Utility Staff Recommended |
| Non-Fuel Costs: | | |
| A. Personnel Costs | 41,587 | 41,587 |
| B. Operating Expenses | 11,817 | 11,817 |
| C. General & Administrative | 71,327 | 71,327 |
| D. Depreciation | 22,424 | 22,424 |
| E. Interest Expense | 0 | 0 |
| F. Other (Describe) | 0 | 0 |
| G. Total Non-Fuel Costs | \$147,155 | \$147,155 |
| Fuel Costs: | | |
| H. Gallons Consumed for Electric Generation | 27,813 | 27,813 |
| I. Price of Fuel:(per gal) Weighted Average | \$2.9973 | \$5.2987 |
| J. Total Cost of Fuel | \$83,363 | \$147,373 |
| K. kWh Sales | 479,514 | 479,514 |
| L. kWh Generated with Diesel | 319,715 | 319,715 |
| kWh Generated with Hydro | 195,469 | 195,469 |
| Total kWh Generated | 515,184 | 515,184 |
| M. kWh Station Service | 15,586 | 15,586 |
| N. Efficiency \geq <u>Standard</u> | 11.50 | 11.50 |
| (kWhs generated per gallons consumed) | | |
| O. Line Loss \leq 12% | 3.90% | 3.90% |
| (kWh generated - (kWh sales + Station Service))/kWh generated | | |

PC92-0518L
Appendix 2

CHIGNIK LAGOON POWER UTILITY

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **Residential**

Customer Charge: 0

| (1) Block (by kWh) | (2) Rate (\$/kWh) | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4) | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - \$ 0.2003 |
|--------------------------|-------------------------|------------------------------|-----------------------------------|-----------------------------|------------------------------------|---|
| 0 to 500 | 0.5750 | 0.0000 | 0.5750 | 287.5000 | 0.5750 | 0.3747 |
| to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| Max 500 | Total | | | | | |

Rate Schedule:

| (1) Block (by kWh) | (2) Rate (\$/kWh) | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4) | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - \$ 0.2003 |
|--------------------------|-------------------------|------------------------------|-----------------------------------|-----------------------------|------------------------------------|---|
| 0 to 500 | | | | | | |
| 501 to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| Max 500 | Total | | | | | |

Rate Schedule:

| (1) Block (by kWh) | (2) Rate (\$/kWh) | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4) | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - \$ 0.2003 |
|--------------------------|-------------------------|------------------------------|-----------------------------------|-----------------------------|------------------------------------|---|
| 0 to 500 | | | | | | |
| to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| Max 500 | Total | | | | | |

CHIGNIK LAGOON POWER UTILITY

CALCULATION OF COMMUNITY FACILITY AVERAGE RATE PER kWh

| Rate Schedule: Comm. Facilities | | | | Customer Charge: 0 |
|--|---------------------|------------------------------|-----------------------------------|--|
| (1) Block | (2) Rate/ kWh | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (6) Average Rate(\$/kWh)- \$ 0.2003 |
| 0 to 500 | 0.6800 | 0.0000 | 0.6800 | 0.4797 |
| 501 to ∞ | 0.4500 | | 0.4500 | 0.2497 |
| | | | | |
| | | | | |

| Rate Schedule: | | | | Customer Charge: 0 |
|----------------|---------------------|------------------------------|-----------------------------------|--|
| (1) Block | (2) Rate/ kWh | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (6) Average Rate(\$/kWh)- \$ 0.2003 |
| 0 to | | | | |
| to | | | | |
| to | | | | |
| | | | | |

| Rate Schedule: | | | | |
|----------------|---------------------|------------------------------|-----------------------------------|--|
| (1) Block | (2) Rate/ kWh | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (6) Average Rate(\$/kWh)- \$ 0.2003 |
| 0 to | | | | |
| to | | | | |
| to | | | | |
| | | | | |

Chignik Lagoon Power Utility

Fuel Purchases

| | Delivery Date | Gallons | Cost per Gallon | Delivery/ Mark-Up per Gallon | Total Cost |
|--|---------------|--|-----------------|------------------------------|------------|
| Beginning Fuel Inventory | | 3,000 | | | |
| Last Approved Fuel Cost/Gal. | | | \$ 2.9973 | | |
| Beginning Fuel Inventory in Gallons | X | Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost --- | | | \$ 8,992 |
| Reporting Period Purchases | 05/06/22 | 21,000 | 5.6275 | | 118,178 |
| | | | | | |
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| | | | | | |
| Totals for Reporting Period Purchases on this sheet: | | 21,000 | | | 118,178 |
| Delivered Weighted Average | | \$5.6275 | | | |
| Grand Totals (beginning inventory plus purchases) A | | 24,000 | | B \$ | 127,169 |

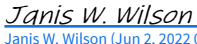
Grand Total Cost (B) divided by Grand Total Gallons (A) = 5.2987 Weighted Avg. Cost per gallon

Staff notes Chignik Lagoon included the State motor fuel tax - marine diesel of \$0.05 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

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